

SPECIALTY TERMINAL MARKETING STUDY

Prepared For:  
INTERNATIONAL BUSINESS MACHINES CORPORATION  
SYSTEMS COMMUNICATIONS DIVISION

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## ORDER OF PRESENTATION

- Introduction.
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  - Methodology.
- Financial Systems.
  - Conclusions.
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  - Respondent Profiles.
- Factory Data Collection Systems.
  - Conclusions.
  - Questionnaire Analysis.
  - Respondent Profiles.



## INTRODUCTION



## A. OBJECTIVES

- Determine volume procurement marketing practices with respect to financial and factory data collection systems.
- Obtain quantity discount prices and list prices where possible.
- Explore volume procurement policies with respect to:
  - "Effective" discounts.
  - Maintenance rates and policies.
  - End of life conditions.
  - General contract terms and conditions.





## B. METHODOLOGY

- Most interviews accomplished by telephone.
  - Some on-site interviews were conducted locally.
- Home offices were called initially.
  - Generally referred to specialized marketing group either locally or at home office.
- Companies to be interviewed were selected by IBM.
- To insure privacy, the companies interviewed are in random order on each of the following exhibits.



# FINANCIAL SYSTEMS



## FINANCIAL SYSTEMS

### COMPANIES CONTACTED

<u>COMPANY</u>	<u>FINANCIAL SYSTEMS REFERENCED</u>
Bunker Ramo	BCS 90
Burroughs Corporation	Modular Terminal System, Modular Document Processing System RT 5000 RT 600
Data Saab	ITS
Diebold	910, 920
Docutel	TT2300
Honeywell-Incoterm	Series 7000
NCR	1770, 1780, 2500 Modular Terminal System 7750 Distributed Document Processing System
TRW	Teller-matic 8000 TT 140, TT 161



## FINANCIAL SYSTEMS

### RESPONDENT'S RESPONSIBILITY

#### RESPONDENT

A	Financial Account Representative
B	Product Marketing Manager - Banking
C	Regional Manager
D	Regional Manager
E	Regional Financial Industry Manager
F	Manager Teller Terminal Marketing





## FINANCIAL SYSTEMS

### CONCLUSIONS

- Systems are sold to end users primarily.
  - OEM agreements do exist although there is no trend in that direction at this time.
- Discounting is the industry standard and can go as high as 25% on terminals without special quotations.
  - The usual discount allowable without home office intervention is around 7% to 10% on purchase prices.
- It is a purchase marketplace.
- Software is not discounted.
- Warranties are worth very little.
- One vendor is known as a "wheeler dealer" and to the extent that vendor wants the account the activity can get fairly wild.
  - Usually the bidding is more orderly.



FINANCIAL SYSTEMS  
QUESTIONNAIRE ANALYSIS



# END USER SALES STATISTICS

R E S P O N D E N T	What percent of your end user sales are purchase transactions?		What is the typical buy quantity for these kinds of systems to large companies?	
			Purchase	Lease (Annualized)
	% Purchase	% Lease		
A	100	-	\$1500K	-
B	80	20	\$ 500K-\$1500K	\$300K
C	100	-	\$1000K-\$3000K	-
D	100	-	\$ 300K	-
E	90	10	\$ 750K-3000K	\$100K
F	100	-	\$ 500K-\$1000K	-



# DISCOUNT POLICY-1

R E S P O N D E N T	Do you offer purchase/lease discounts to end users?				Are discounts available on terminals only, systems only or on either?		
	Purchase		Lease		Terminals Only	Systems Only	Either
	Yes	No	Yes	No			
A	X		-	-	X		
B	X		-	-		X	
C	X			X			X
D	X		-	-			X
E	X		-	-		X	
F	X		X		X		





## DISCOUNT POLICY-2

R E S P O N D E N T	What type of discount do you offer?		Discount Availability		Circumstances under which greater than standard discounts may be granted.
	Quantity	Dollar Volume	Gener-ally Avail-able	Select-ively Avail-able	
A		X	X		Market dynamics-Through headquarters only.
B		X	X		Competitive need
C		X	X		Remote possibility-Needs headquarters approval - Significant Accounts - Very Large Volume - Intense Competition
D	X		X		At least 125 terminals
E		X		X	Over three million
F	X		X		Market dynamics



# DISCOUNT POLICY-3

R E S P O N D E N T	Can previously installed units be accumulated for reaching higher discount levels?				Are software dis- counts available?				Are effective discounts offered? 1. Free installment 2. Prepaid freight 3. Free trial 4. Extended warr. 5. Other	
					Host Software		Distri- buted Software			
	Always	Never	Some- times	When	Host Software		Distri- buted Software		Yes	No
					Yes	No	Yes	No		
A			X	New orders within 18 months of previous order		X		X		X
B		X		Policy is never but would if required		X		X		X
C			X	New units ordered within same one year contract		X		X		X
D		X				X		X		X
E			X	Market dynamics		X		X		X
F			X	New units ordered within a year of pre- vious con- tract		X		X		X



## OEM POLICIES

R E S P O N D E N T	How can large end users achieve OEM status?	Are OEM terms and conditions different from end user T & C?	How are maintenance prices and practices affected by discount contracts?
A	No OEM contract	N/A	Not affected
B	No OEM contract	N/A	Not affected
C	No OEM contract	N/A	Not affected
D	No OEM contract	N/A	Not affected
E	No OEM contract for end users Has OEM contract for domestic and international sales	Bigger discounts, lower levels of support, non-standard contract	Not affected
F	No OEM contract for end users Sometimes for system houses/service companies	Higher discount, no support, sales to end user by OEM	Not affected





# CONTRACT PROVISIONS-1

R E S P O N D E N T	How are model up-grades handled with respect to discounts within the contract period?	What are the order, delivery and installation periods?			
		Order Period	Delivery Period	Installation Period	Milestones Required
A	Allowed on a one for one replacement or add-on basis	Negotiated	Negotiated	Negotiated	Negotiated
B	Generally field retrofit kits with no discounts	Six months presently One year with new customers			Negotiated C.O.D. and storage
C	No policy Individually negotiated	12 months	12 months	12 months	None currently
D	Negotiated and discount usually allowed	6-12 months	6-12 months (18 months)	6-12 months (18 months)	Negotiated
E	Must be equal or greater in value to qualify for discount	Negotiated	Negotiated 12 months of first delivery	Negotiated	Negotiated
F	Discounts allowable on dollar volume basis	12 months But	12 months negotiable	12 months	Negotiated, flexible, production oriented





# CONTRACT PROVISIONS-2

R E S P O N D E N T	Are extensions of the base contract with respect to time or quantity allowed?			Can lease customers who exercise the purchase option receive a discount on the additional money to be paid?	
	None	Time	Quantity	Yes	No
A		Negotiable		Do not	lease
B		Negotiable		Unknown	
C		Yes But strongly	Yes discouraged		X
D		Negotiable		Do not	lease
E	X	Except for construction delays and state approval delays for branches.		Do not	lease
F	Unknown	Unknown	Unknown	Do not	lease



## PRICE FLUCTUATIONS

R E S P O N D E N T	How is upward price protection provided?	If prices are lowered after contract signing, how does the customer benefit?
A	Prices firm for contract period (1 year)	Gets lower price
B	<u>Purchases</u> —One year protection <u>Rental/Lease</u> —Prices firm for contract term but has maintenance rate increase provision	Gets lower price
C	Protected for 12 months only	Gets lower price
D	Prices firm for contract term	Unknown—Has never happened
E	Protected for contract term	Customer does not benefit
F	Can protect for up to 18 months with a fixed % increase beyond	Gets lower price



# WARRANTY PROVISIONS

R E S P O N D E N T	What is the war- ranty period?	When does the war- ranty period be- gin?	What are the differ- ences be- tween OEM and end user war- ranties?	Is the warranty the same for all devices and peripherals within a sys. or may it vary?		If it varies, how is end user impac- ted?
				Same	Varies	
A	90 days parts	Delivery of equipment	N/A	X		N/A
B	None	N/A	1-OEM UNK	N/A	N/A	N/A
C	1 year parts (vague)	Installation	N/A		By pro- duct group	Very little (maintenance)
D	None	N/A	N/A	N/A	N/A	N/A
E	90 days	Acceptance certification	N/A	X		N/A
F	30 days	Customer acceptance (Date of installation)	None	X		N/A





# NEW ANNOUNCEMENTS/OBSOLESCENCE

R E S P O N D E N T	If a system is obsoleted by the announcement of a new system, please explain if any of the following are changed or provided.			
	Contract Terms And Conditions	Trade-ins	Unique Rental Conversion Plans	Other
A	Can substitute new system if revenue is same or greater	Cannot exceed 30% of new equipment Special policy with each release	None	-
B	Model upgrades within system allowed	No formal policy	N/A	-
C	Model upgrades allowed on uninstalled equip- ment	On exception basis Function of after- market	N/A	-
D	Upgrades at higher prices allowed	Considered--no formal policy	N/A	-
E	<u>Rental</u> -Upgrades allowed	<u>Purchase</u> -Trade-in values on each new product	No unique plans	Headquarters will review special condi- tions--excep- tions rare
F	Model upgrades allowed	No formal policy	N/A	-





FINANCIAL SYSTEMS  
RESPONDENT PROFILES



## FINANCIAL SYSTEMS

### B. RESPONDENT A

- General policy - All negotiable items are settled by the contract.
- One hundred percent (100%) purchase business.
  - Third party lease arrangements.
  - Third party maintenance arrangements.
- No "effective" discounts.
- Ninety (90) day parts warranty.
  - Try to place customer on maintenance at time of installation.
- List price:

Banking Terminal	\$32,000 - \$35,000
Annual maintenance	\$2,600 - \$2,900



B.     RESPONDENT A - (continued)

- Quantity discounts on terminals only.

<u>UNITS</u>	<u>DISCOUNTS \$</u>
1-4	NONE
5-9	2,000 /terminal
10-20	1,000 add'l/terminal
21-30	500 add'l/terminal
31-40	500 add'l/terminal
41-50	500 add'l/terminal
51-124	SPECIAL QUOTE
125+	"SPECIAL QUOTE"



## FINANCIAL SYSTEMS

### C. RESPONDENT B

- Generally flexible policy towards most contract terms and conditions.
- Discounts are not firm and are negotiated by sales personnel with headquarters.  
Discount determinants are:
  - Competitive situation.
  - Size of order.
  - Prestige of account.
  - System profitability.
- Discounts are selectively offered.
- "Effective" discounts never offered.
  - On occasion branch will hold onto the certification for billing so a "free period" will exist.
- List Price:

Banking terminal	\$25,000	Annual maintenance	\$2,400
License fee	\$ 6,000	Annual maintenance	\$ 720
Controller	\$11,600	Annual maintenance	\$1,364
- Discounts:
  - 10% maximum on \$1.5 million to \$3.0 million.





## FINANCIAL SYSTEMS

### D. RESPONDENT C

- Fairly rigid pricing policies.
- Most other contract terms are negotiable.
  - Including special rental terms and trade-in policies.
- Lease discounts are available through third party leasing company.
- Most quantity buyers are aware of discounts so they are quoted.
  - Small quantity purchases (minimum discount) are quoted list prices at sales rep's discretion.
- "Effective" discounts never officially offered.
  - Submission of installation certificate is sometimes delayed by branch.
  - Special and optional features sometimes not billed.
- Milestones are negotiated as a production scheduling aid.
- List price:

Lobby ATM	\$20,850		
Controller for 2 ATMS	\$16,285	Annual Maintenance (Both)	\$3,280



D. RESPONDENT C - (continued)

- Dollar volume discounts.

DOLLAR AMOUNT

DISCOUNT PERCENTAGE

0-174,999	0%
175,000-349,999	2%
350,000-824,999	4%
825,000-1,649,999	6%
1,650,000+	8%



## FINANCIAL SYSTEMS

### E. RESPONDENT D

- Have formalized third party lease agreement.
- Flexible policy on pricing and contract T&C.
- Additional discounts (higher than on schedule) probably available.
- Have major OEM relationship.

- Different pricing.
- Lower levels of support.
- Different contract T&C.

- List price:

ATM	\$27,500	Annual Maintenance	\$3,400 to \$3,600
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Controller (for 32 term.)	\$25,000
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- Discounts.

#### DOLLAR VOLUME (\$)

#### DISCOUNT PERCENTAGE

0-149,999	0%
150,000-299,999	1%
300,000-599,999	3%
600,000-899,999	5%
900,000+	7%



## FINANCIAL SYSTEMS

### F. RESPONDENT E

- Wide flexibility at region and district level to adjust prices and policies to meet competition and secure volume business.
  - Discounting is common to sales strategy, however, sales people will withhold discount to protect revenues.
- Discounts are by product group.
  - Each group has its own schedule.
  - Discounts available on lease as well as purchase.
- Warranty is vague.
  - Maintenance contract is encouraged from first day of installation.
- List price:  
  
Lobby automatic teller      \$17,000





F.     RESPONDENT E - (continued)

- Discount schedule:

<u>DISCOUNT PERCENTAGE</u>		
<u>QUANTITY</u>	<u>LEASE %</u>	<u>PURCHASE %</u>
0-1	0	0
2-4	0	2
5-9	2	4
10-49	3	6
50-99	4	8
100+	5	10
UNDEFINED MAXIMUM		17.5

- Inscribing equipment discount schedule.

<u>QUANTITY</u>	<u>PURCHASE DISCOUNT %</u>
2-9	2
10-49	4
50-99	6
100+	8



## FINANCIAL SYSTEMS

### G. RESPONDENT F

- Situation in a state of change.
  - All policies are being evaluated prior to creating a more formal structure.
  - Discount policy was based on units but is being changed to total dollar volume concept.
- Have from time to time entered into OEM arrangements with systems houses and/or service companies.
  - Discounts slightly higher.
  - Less support required.
- Pressure from maintenance arm to make warranty start at installation date rather than customer acceptance date.
- List price:

Lobby terminal	\$24,000
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G.      RESPONDENT F - (continued)

- Discount schedule:

DOLLAR VOLUME (\$000)

TERMINAL  
DISCOUNT PERCENTAGE

200	2
500	3
750	4
1,000	5
1,250	6
1,500	7



# FACTORY DATA COLLECTION SYSTEMS





## FACTORY SYSTEMS

### COMPANIES CONTACTED

<u>COMPANY</u>	<u>SYSTEMS REFERENCED</u>
Data Pathing, Inc (NCR)	System 15, System 150
Digital Equipment Corporation	DPM - 60
Hewlett-Packard	Data Cap 1000
Honeywell Information Systems	Factory Management System



## FACTORY SYSTEMS

### RESPONDENT'S RESPONSIBILITY

#### RESPONDENT

A	Branch Manager
B	Account Representative, Product Marketing
C	Director, Public Relations
D	Senior Sales Representative



## FACTORY SYSTEMS

### CONCLUSIONS

- It is an end user, purchase marketplace.
- Discounts on terminals can run as high as 25% without special approvals.
  - At the 50 terminal level the discounts are about the 10% to 15% level.
- One vendor discounts software.
- "Effective" discounts never "officially" offered.
- Factory systems can only be considered for OEM sale if they are part of a greater system which has OEM eligibility and is being sold to a bona fide OEM.



FACTORY SYSTEMS  
QUESTIONNAIRE ANALYSIS





## END USER SALES STATISTICS

R E S P O N D E N T	What percent of your end user sales are purchase transactions?		What is the typical buy quantity for these kinds of systems to large companies?	
			Purchase	Lease (Annualized)
	% Purchase	% Lease		
G	100		\$1000K-\$3000K	
H	100		\$ 500K-\$1000K	
I	10	90	\$ 500K	\$120K
J	90	10	\$ 500K	Unknown



# DISCOUNT POLICY-1

R E S P O N D E N T	Do you offer purchase/lease discounts to end users?				Are discounts available on terminals only, systems only or on either?		
	Purchase		Lease		Terminals Only	Systems Only	Either
	Yes	No	Yes	No			
G	X		X				X
H	X						X
I	X						X
J	X		X				X



## DISCOUNT POLICY-2

R E S P O N D E N T	What type of discount do you offer?		Discount availability		Circumstances under which greater than standard discounts may be granted.
	Quantity	Dollar Volume	Gener-ally Avail-able	Select-ively Avail-able	
G		X		X	No fixed schedule - Each order individually evaluated - Flexibility is keynote - Policy will probably become firmer within a year
H	X	X	X		Needs headquarters approval
I	X		X		Unknown
J	X		X		No comment



# DISCOUNT POLICY-3

R E S P O N D E N T	Can previously installed units be accumulated for reaching high discount levels?				Are software discounts available?				Are effective discounts offered? 1. Free installment 2. Prepaid freight 3. Free trial 4. Extended warr. 5. Other	
	Always	Never	Some-times	When	Host Software		Distri-buted Software		Yes	No
					Yes	No	Yes	No		
G			X	Any time it is convenient to do so		X		X	?	X
H			X	Within contract term	X		X			X
I			X	Within contract term		X		X		X
J			X	Market dynamics within 12 month contract term		X		X		X





## OEM POLICIES

R E S P O N D E N T	How can large end users achieve OEM status?	Are OEM terms and conditions different from end user T & C	How are maintenance prices and practices affected by discount contracts?
G	No OEM contract	N/A	Not affected
H	Unknown	Unknown	Not affected
I	Not with this product line. Only if combined with other product lines.	Higher dollar volume discount	Not affected
J	<ol style="list-style-type: none"> <li>1. Resale to third parties</li> <li>2. Substantial value-added and then resells</li> </ol>	Discounts 10%-15% higher	Not affected



# CONTRACT PROVISIONS-1

R E S P O N D E N T	How are model up-grades handled with respect to discounts within the contract period?	What are the order, delivery and installation periods?			
		Order Period	Delivery Period	Installation Period	Milestones Required
G	Allowed, provided production orders have not been issued	12 months	12 months (18 month exclusion)	Negotiable	1/3 in 6 months or discount recomputed
H	Allowed under same discount schedule, most are field retro-fits	Negotiable	Negotiable	Negotiable	Negotiable
I	Allowable	Unobtainable	Unobtainable	Unobtainable	Unobtainable
J	No formal policy	12 months	14 months	14 months	40% in 8 months or discount recomputed



# CONTRACT PROVISIONS-2

R E S P O N D E N T	Are extensions of the base contract with respect to time or quantity allowed?			Can lease customers who exercise the purchase option receive a discount on the additional money to be paid?	
	None	Time	Quantity	Yes	No
G		Yes	Yes	N/A	N/A
H		Yes	Yes	No firm policy	
I		Not normally but can be negotiated		X How discount is applied is determined by finance department	
J		Negotiable		N/A	N/A



## PRICE FLUCTUATIONS

R E S P O N D E N T	How is upward price protection provided?	If prices are lowered after contract signing, how does the customer benefit?
G	Provided for contract term provided there are no substantial model changes	Gets lower price on unshipped units
H	Provided for contract term	Gets lower price
I	Provided for contract term	Gets lower price
J	Only if delivery is scheduled within six months of order date	Gets lower price





## WARRANTY PROVISIONS

R E S P O N D E N T	What is the warranty period?	When does the warranty period begin?	What are the differences between OEM and end user warranties?	Is the warranty the same for all devices and peripherals within a system or may it vary?		If it varies, how is end user impacted?
				Same	Varies	
G	90 days	Install date	N/A		X	Unknown
H	90 days	Install date or 31 days from ship date	None	X		N/A
I	90 days	Install date	N/A	X		N/A
J	90 days or one year one year-software	Install or delivery date or 30 days after delivery	3%-30 day 5%-90 day of list price	X		N/A



# NEW ANNOUNCEMENTS / OBSOLESCENCE

R E S P O N D E N T	If a system is obsoleted by the announcement of a new system, please explain if any of the following are changed or provided.			
	Contract Terms And Conditions	Trade-ins	Unique Rental Conversion Plans	Other
G	No policy--usually new equipment is higher, old is reduced	Special group to handle used equipment	N/A	-
H	Upgrade is probably allowable	No policy--might be considered	N/A	-
I	Upgrades allowable	Special quotation	Short term rentals if necessary	-
J	Negotiated	Not allowed presently	Negotiated	-



FACTORY SYSTEMS  
RESPONDENT PROFILES



## FACTORY SYSTEMS

### H. RESPONDENT G

- Very "ethical" company.
  - Would not release policy or contract information.
  - List prices are from press release package.
  - Eventually released discount schedule.

- List prices:

#### Hardware

Time and attendance	\$ 2,000
Data entry terminal	\$ 1,650
Labor reporting terminal	\$ 2,440

#### Software

Factory terminal software	\$100/month
Inventory management	\$80/month
Production scheduling & control	\$100/month

Typical system (Including minicomputer and 20 factory data collection terminals)	\$116,000
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H. RESPONDENT G - (continued)

- Discount Schedule: End User terminal schedule.

QUANTITY

DISCOUNT PERCENTAGE

1-14	0
15-24	9
25-34	12
35-49	14
50-74	16
75-99	18
100+	19



## FACTORY SYSTEMS

### I. RESPONDENT H

- Very strict about OEM qualifications.
- If one third of the quantities specified in the agreement are not ordered during the first six months then:
  - (1) Quantities are adjusted to three times the amount ordered in the first six months.
  - (2) Then the orders starting the seventh month receive the adjusted discount less two percentage points.
- If 80% of the original quantity are not ordered within the term of the agreement then the succeeding year's discount level is reduced by two percentage points.
- Purchase option discounts are determined on an individual basis by the Finance Administrator.
- There is a short term rental plan available for use in special situations.
  - Includes maintenance.
  - No purchase option.
  - Six months - 7.75%/month.
  - Twelve months - 5.5%/month.
  - Eighteen months - 5.0%/month.



I. RESPONDENT H - (continued)

- List price:

Base data collection terminal	\$ 2,260
With standard options	\$ 3,000

- Discount schedule:

- Terminal discount schedule.

<u>QUANTITY</u>	<u>END USER DISCOUNT PERCENTAGE</u>
1-4	0
5-7	4
8-14	7
15-24	10
25-34	13
35-49	15
50-74	17
75-99	19
100-149	20
150-199	22
200-249	23
250-299	24
300+	25

- OEM discount on data collection terminals is 10% higher.



I.      RESPONDENT H - (continued)

- System discount schedule.

FUNCTIONAL UNITS	<u>DISCOUNT PERCENTAGE</u>		
	<u>END USER</u>	<u>OEM</u>	<u>COMPONENT OEM</u>
1-4	0	5	15
5-7	4	9	19
8-14	7	12	22
15-24	10	15	25
25-34	13	18	28
35-49	15	20	30
50-74	17	22	32
75-99	19	24	34
100-149	20	25	35
150-199	22	27	37
200-249	23	28	38





## FACTORY SYSTEMS

### J. RESPONDENT I

- Currently very flexible policy toward contract terms and conditions, pricing and discounting.
  - Have met competition and have secured high volume business.
  - Trend is to formal, firm pricing, discount and policy structure.
- Discounts are not generally available or quoted by sales representative.
  - All discounts are developed when necessary by the home office.
- Stress leasing in sales thrust.
  - One, three and five year leases available.
- Claims no "effective" discounts.
  - Admitted flexible policy does allow them but they are rarely given.



J. RESPONDENT I - (continued)

• List Prices:

	<u>LEASE (Ex.Maint.)</u>	<u>PURCHASE</u>	<u>MAINTENANCE</u>
Terminal	1 year \$49/month 3 year \$43/month 5 year \$38/month	\$1,800	\$16/month
CPU	1 year \$864/month 3 year \$768/month 5 year \$672/month	\$32,000	\$500/month

• Discount schedule:

- No fixed schedule, the guidelines are:
  - \$500,000-\$1,000,000 5%-10%
  - Approximately \$1,500,000 Approximately 15% max.
  - Larger systems Additional discounts available
- Would not release lease discount guidelines.



## FACTORY SYSTEMS

### K. RESPONDENT J

- Well defined pricing policy.
  - Optimizes benefits to customers.
- Strict OEM policies.
  - Factory data collection system is not eligible for OEM status unless it is submerged in another system and resold.
- Milestones.
  - Within 8 months of the effective date of the contract 40% of the total specified quantity must be delivered or the discount will be appropriately decreased retroactively.
  - If a quantity level is missed by the expiration of the contract the discount is retroactively decreased.
  - If a quantity level is exceeded the discount level is retroactively increased.
- Trade-ins
  - Special vendor group that evaluates equipment in terms of aftermarket demand and arranges for trade-ins.
  - Has nothing to do with sales organization. These are two separate transactions.



K. RESPONDENT J - (continued)

● List Price

	<u>Purchase</u>	<u>Maintenance</u>
Time & attendance station	\$ 3,500	\$42/month
CPU & some peripherals	\$61,480	\$436/month

● Unit volume discount schedule

<u>NUMBER OF UNITS</u> (as specified in Price List)	<u>DISCOUNT PERCENTAGES</u>
1	0
2-4	2
5-9	5
10-19	8
20+	SPECIAL QUOTE

<u>NUMBER OF TERMINAL UNITS</u> (see Price List)	<u>DISCOUNT PERCENTAGE</u>
1-19	0
20-49	5
50-99	10
100-199	16
200-349	20
350-499	21
500+	22





K.     RESPONDENT J - (continued)

- Dollar volume discount schedule.

<u>AGGREGATE DOLLAR VALUE (\$000)</u>	<u>DISCOUNT PERCENTAGE</u>
0    but less than    500	0
500   but less than    750	5
750   but less than    1,000	6
1,000   but less than    1,500	8
1,500   but less than    2,000	11
2,000   and over	SPECIAL QUOTE

- Software is eligible for discounts and is added into total dollar volume or number of units as specified in price list.

